

Subject 2023 public finance bill

Authors Gomez

Analyst Christopher Kleman
Justin Cope

Date March 16, 2023

Overview

H.F. 2757 would allow local governments to invest public funds in time deposits insured by credit unions.

This bill would also allow various political subdivisions to issue notes, certificates of indebtedness, and general obligation certificates that would be payable in 20 years. Under current law, these debts must be payable in ten years.

In addition, H.F. 2757 would allow local governments to issue debt to pay for projects that eliminate R-22, which refers to the replacement of ice-making systems in existing public facilities that use R-22 as a refrigerant, with systems that use alternative non-ozone-depleting refrigerants.

The bill would also clarify levy certification requirements for port authorities and economic development authorities, conform state law to certain federal tax-exempt bond requirements, and clarify the rules for tax-exempt bond financing for certain water treatment systems.

Summary

Section	Description
---------	-------------

- | | |
|---|--|
| 1 | Time deposits.
Allows local public funds to be invested in time deposits that are fully insured by the National Association of Credit Unions. |
| 2 | Purchase of certain equipment.
For general obligation certificates of indebtedness or capital notes issued by a school district, extends the period in which the certificates or notes must be payable from ten years to 20 years. |

Section	Description
3	Certificates of indebtedness. For certificates of indebtedness issued by a town, extends the period in which the certificates must be payable from ten years to 20 years and allows certificates to be issued for projects that eliminate R-22.
4	Capital notes. For capital notes issued by a county to purchase capital equipment, extends the period in which the notes must be payable from ten years to 20 years and allows projects that eliminate R-22 to qualify as capital equipment.
5	Equipment acquisition; capital notes. For capital notes issued by Hennepin County, extends the period in which the notes must be payable from ten years to 20 years and allows notes to be issued for projects that eliminate R-22.
6	Cities may issue capital notes for capital equipment. For capital notes issued by a home rule charter city, extends the period in which the notes must be payable from ten years to 20 years and allows notes to be issued for projects that eliminate R-22.
7	Financing purchase of certain equipment. For certificates of indebtedness or capital notes issued by a statutory city, extends the period in which the certificates or notes must be payable from ten years to 20 years and allows certificates or notes to be issued for projects that eliminate R-22.
8	Operation area as a taxing district, special tax. Applies the levy certification requirements for special taxing districts to port authorities.
9	Mandatory city levy. Applies the levy certification requirements for special taxing districts to port authorities.
10	Discretionary city levy. Applies the levy certification requirements for special taxing districts to port authorities.
11	City tax levy. Applies the levy certification requirements for special taxing districts to economic development authorities.

Section	Description
12	Public facilities project. Removes the requirement that public facilities funded by tax-exempt bonds must be publicly owned or be district heating and cooling facilities, which would allow any facility eligible to be financed under federal tax rules with tax-exempt bonds to qualify.
13	Qualified bonds. Strikes existing language that limits the projects that can be funded by public facility bonds, which would allow these bonds to finance any project for which the bonds can be used under federal tax rules.
14	In installments; exception; annual limit. Removes the requirement that the 40-year term limit for tax-exempt bonds used to finance municipal water and wastewater treatment systems is only allowed for systems financed or guaranteed by the United States Department of Agriculture.



Minnesota House Research Department provides nonpartisan legislative, legal, and information services to the Minnesota House of Representatives. This document can be made available in alternative formats.

www.house.mn/hrd | 651-296-6753 | 155 State Office Building | St. Paul, MN 55155